



Civil Rights and Fair Housing

Section 3

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Civil Rights and Fair Housing

Minimum Requirements for Civil Rights Compliance

- ▶ Equal employment opportunity*
- ▶ Equal access to CDBG contracts and business opportunities
- ▶ Section 504 handicapped requirements, and
- ▶ Compliance with Federal Fair Housing legislation



* Executive Order 11246 bars discrimination in Federal employment.

Overview

Fair Housing and Equal Opportunity

- ▶ CDBG grantees must administer their programs in a non-discriminatory manner. Grantees must take measures to:
 - ▶ Ensure non-discriminatory treatment and equal access
 - ▶ Affirmatively further fair housing
 - ▶ Provide economic opportunities to low-income residents (Section 3)

- ▶ Requirements apply to:
 - ▶ Housing
 - ▶ Benefits/opportunities created by CDBG
 - ▶ Employment
 - ▶ Business opportunities, such as contracting



My kids and I have the right to live anywhere we want.

**Reference for All
Posters:**

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/marketing

Knowing your rights is the first step in fighting housing discrimination. Educate yourself with the facts, go to www.hud.gov/fairhousing. Call HUD to report housing discrimination at 1-800-669-9777.

KNOWLEDGE IS POWER.



NALCAB
National Association
for Latino Community
Asset Builders

A public service message from the U.S. Department of Housing and Urban Development in partnership with NALCAB-National Association for Latino Community Asset Builders. The federal fair housing act prohibits discrimination because of race, color, religion, national origin, sex, familial status or disability.

Applicable Laws and Regulations-1 of 4

- ▶ Section 109 of the Housing and Community Development Act of 1974:
 - ▶ Prohibits discrimination in any CDBG-funded program or activity on the basis of:
 - ▶ Race
 - ▶ Color
 - ▶ National Origin
 - ▶ Sex
 - ▶ Religion
- ▶ Reference: Section 109 of Title I of the Housing and Community Development Act of 1974 (Public Law 96-153)

**YOUR CREDIT STATUS WILL AFFECT
YOUR ABILITY TO BUY A HOUSE.**



**YOUR RACIAL STATUS
SHOULD NOT.**

It is against the law to consider race, color, national origin, religion, sex, disability or familial status in any decision regarding rental, sales or mortgage lending. If you believe you may be a victim of housing discrimination, contact HUD or your local Fair Housing Center:

Visit **www.hud.gov/fairhousing** or call the HUD Hotline
1-800-669-9777 (voice) **1-800-927-9275** (TTY)

Your Choice. Your Right. Your Home.



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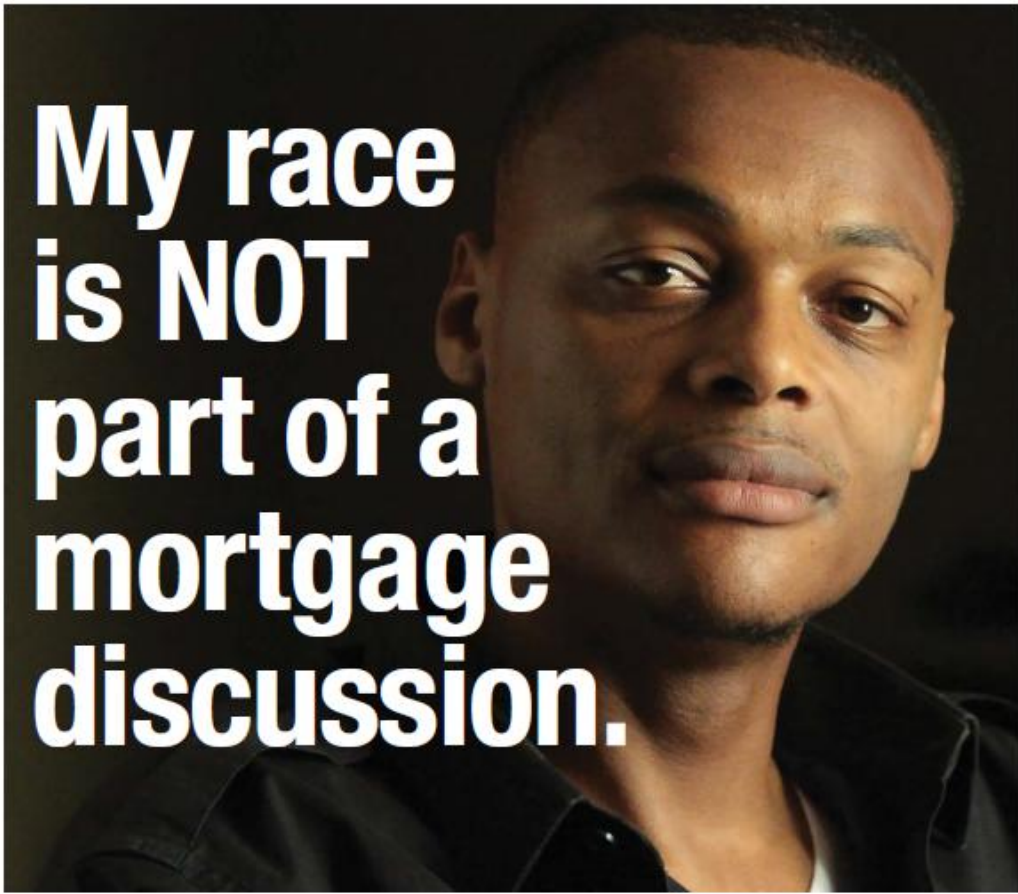
NFHA
National Fair Housing Alliance



Applicable Laws and Regulations-2 of 4

- ▶ Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in all housing-related activities on the basis of:
 - ▶ Race
 - ▶ Color
 - ▶ Religion
 - ▶ Sex
 - ▶ National Origin
 - ▶ Familial Status (Number and Age of Children)
 - ▶ Disability (Handicap)

- ▶ Reference: HUD CPD Policy Memorandum dated 02/09/07:
<http://www.hud.gov/offices/ftheo/promotingfh/fairhousing-cdbg.pdf>

A close-up portrait of a Black man with short hair, looking slightly to the side with a calm expression. He is wearing a dark shirt.

My race is NOT part of a mortgage discussion.

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*"I'm sorry. I must have misplaced
your paperwork..."*



"Your credit report isn't back."

"Your income hasn't been verified yet."

Don't be fooled by excuses. What appears to be a delay
could be discrimination. You can fight back.

If you believe you may be a victim of housing discrimination,
contact HUD or your local Fair Housing Center:

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1-800-669-9777 (voice) **1-800-927-9275** (TTY)

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Applicable Laws and Regulations-3 of 4

- ▶ Section 104(b)(2) of the Housing and Community Development Act of 1974:
Each grantee must certify that:
 - ▶ The grant will be administered in conformance with the Fair Housing Act, and
 - ▶ The grantee will “affirmatively further fair housing” (AFFH)



Reference: Section 104(b)(2) of Title I of the Housing and Community Development Act of 1974 (Public Law 96-153)



**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)
www.hud.gov/fairhousing

U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410

It's okay to consider color



...as long as it's green.

Judging you by what you look like instead of your qualifications is discrimination. What matters is your ability to pay for housing. It's illegal to discriminate because of race, color, religion, sex, national origin, disability or familial status in the sale or rental of housing.

If you believe you may be a victim of housing discrimination,
contact HUD or your local Fair Housing Center:

Visit www.hud.gov/fairhousing or call the HUD Hotline
1-800-669-9777 (voice) 1-800-927-9275 (TTY)

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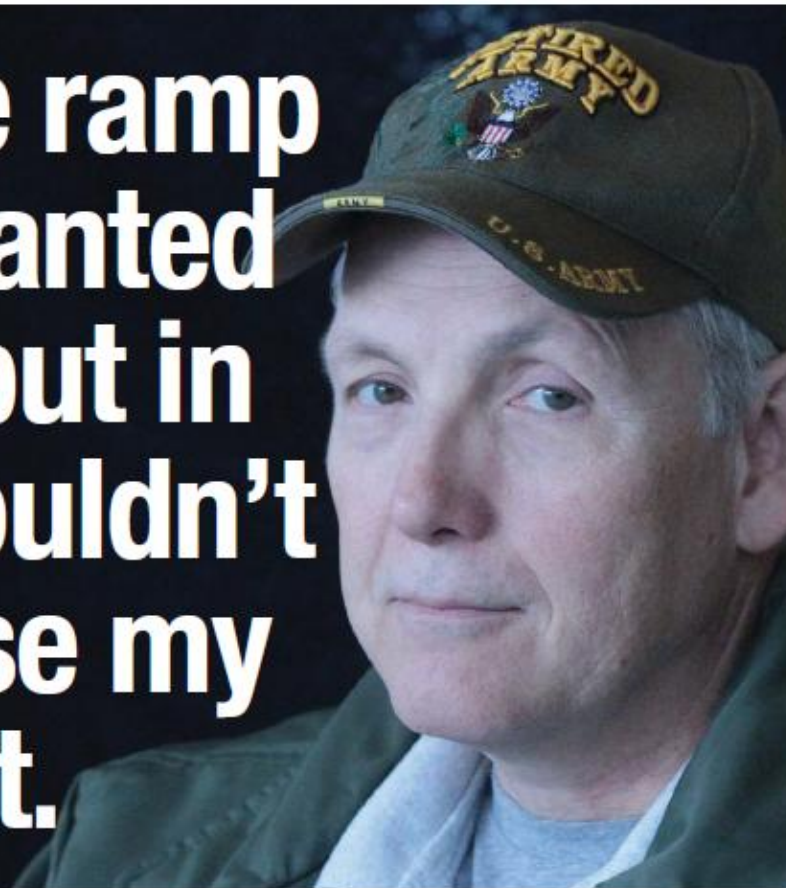
NFHA
National Fair Housing Alliance

Applicable Laws and Regulations-4 of 4

- ▶ Section 504 of the Rehabilitation Act of 1973:
Prohibits discrimination based on handicap (disability) in any program or activity receiving federal financial assistance.
- ▶ Architectural Barriers Act of 1968: Requires buildings constructed or assisted with federal funds to be accessible to and useable by disabled persons.
- ▶ References: 24 CFR Part 8 and Part 9; HUD Notices CPD-05-09 and CPD-05-10



The ramp I wanted to put in shouldn't raise my rent.



Knowing your rights is the first step in fighting housing discrimination. Educate yourself with the facts, go to www.hud.gov/fairhousing. Call HUD to report housing discrimination at 1-800-669-9777.

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THE FAIR HOUSING ACT PROHIBITS DISCRIMINATION AGAINST THOSE WHO ARE DEAF OR HARD OF HEARING

The federal Fair Housing Act prohibits discrimination in housing on the basis of disability. Landlords and other housing providers may not discriminate against persons who are deaf or who have other hearing or speech disabilities. They may not refuse to communicate with you because you contact them through TTY, video relay or other relay systems. Landlords must make reasonable accommodations or allow reasonable modifications for persons with disabilities, such as allowing a hearing dog in a no-pets building or approving the installation of strobes in an apartment.



Fair Housing Is Your Right. Use It.

Visit www.hud.gov/fairhousing or call the HUD Hotline
1-800-669-9777 (English/Español) **1-800-927-9275** (TTY)



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Helpful websites

- ▶ *Fair Housing Laws and Executive Orders:*
<http://www.hud.gov/offices/ftheo/FHLaws/>
- ▶ *Promoting Fair Housing:*
<http://www.hud.gov/offices/ftheo/promotingfh.cfm>
- ▶ *ADECA's website-Fair Housing Outreach page (Includes ADECA Fair Housing Poster for apartments):*
<http://adeca.alabama.gov/Divisions/ced/cdp/Pages/fairhousing.aspx>

Section 3

Form 60002-Section 3 Summary Report

Introduction to Section 3

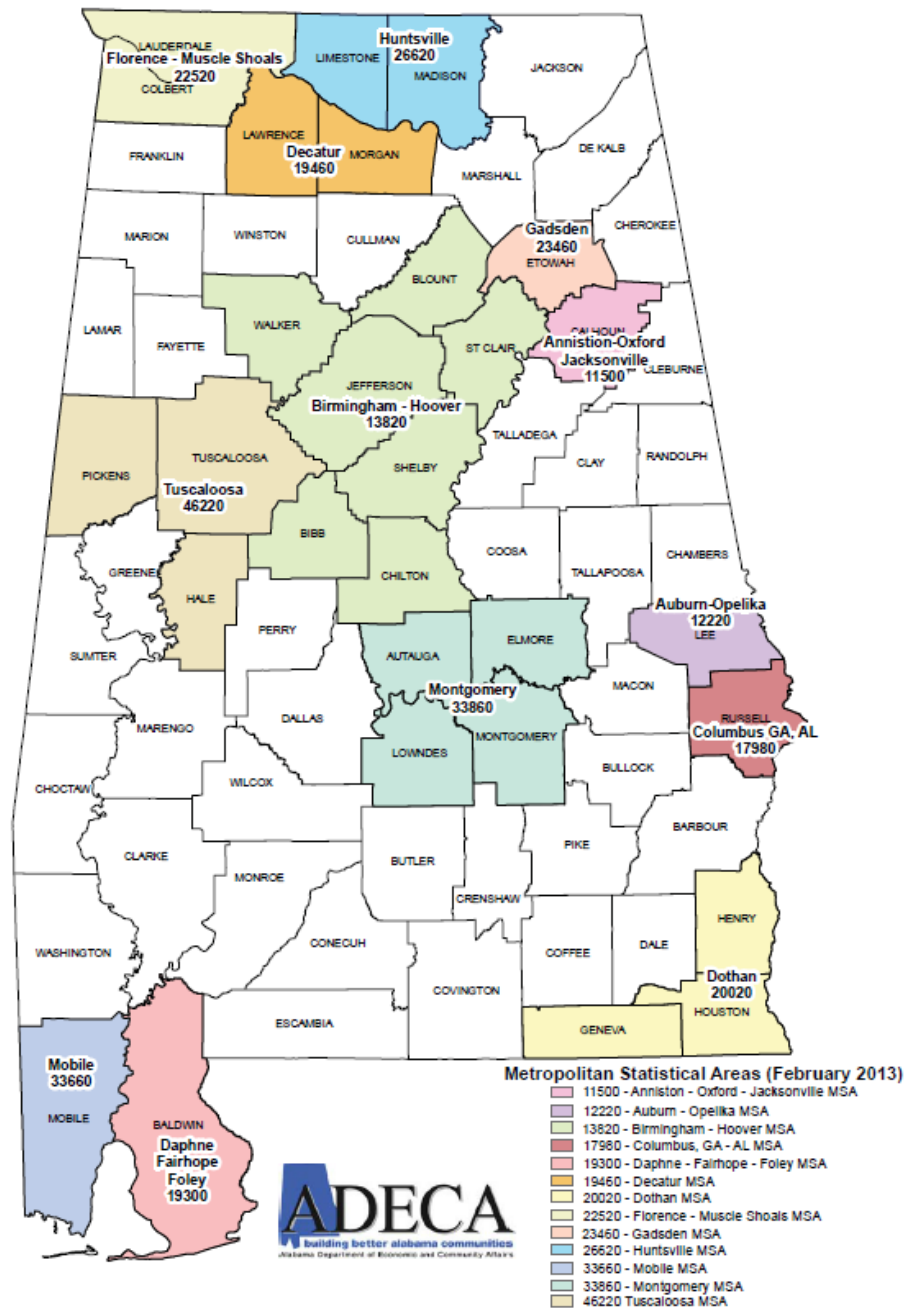
- ▶ Purpose of the Section 3 Regulation-To provide economic opportunities (subcontracts, jobs, and training) to all “local” residents of low to very low income status and to local businesses meeting the Section 3 standard.
- ▶ Section 3's Scope- Section 3 requirements apply to the whole project, regardless of whether it is fully or partially funded by CDBG.
- ▶ Report only **CDBG Dollars**.

What is Section 3?

- ▶ **Section 3 of the HUD Act is race-neutral.**
- ▶ **Section 3 refers to local and low income.**
 - ▶ Local-county or metropolitan area (MSA).
 - ▶ Low Income-
 - ▶ “low income” (single persons or families with incomes less than 80% of median income for area)
 - ▶ “very low income” (single persons or families with incomes less than 50% of median income for area).

Alabama Metropolitan Statistical Areas as of February 2013

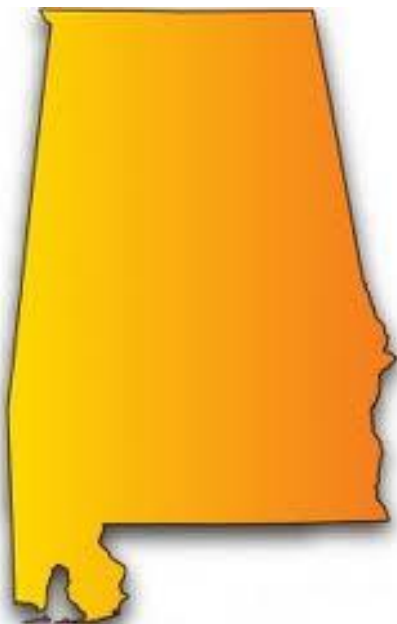
What is “local”?



HUD's Community Partners in Alabama

State of Alabama Agencies

- ▶ Alabama Department of Economic and Community Affairs
- ▶ Alabama Housing Finance Authority



Alabama Entitlement Cities and Counties

- ▶ Auburn
- ▶ Birmingham
- ▶ Decatur
- ▶ Dothan
- ▶ Florence
- ▶ Gadsden
- ▶ Hoover
- ▶ Huntsville
- ▶ Mobile
- ▶ Montgomery
- ▶ Opelika
- ▶ Tuscaloosa
- ▶ Jefferson County
- ▶ Mobile County

Who is a “Section 3 resident”?

- ▶ Public housing resident
- ▶ Homeless person residing in the project area
- ▶ Participant in a HUD Youthbuild program
- ▶ Families (including single persons) with “Low Income” (80% of median family income for the area)
- ▶ Families (including single persons) with “Very Low Income” (50% of median family income for the area)

References: 24 CFR Part 135 § 135.5 and § 135.34(a)(2)

Note: The definitions of “low” and “very low” income are different from the CDBG definitions.



§ 576.407 Other Federal requirements.

(a) *General.* The requirements in 24 CFR part 5, subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a). Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and implementing regulations at 24 CFR part 135 apply, except that homeless individuals have priority over other Section 3 residents in accordance with § 576.405(c).

What is a “Section 3 business concern”?

- A. 51% or more owned by Section 3 residents
- B. 30% or more of permanent, full-time employees are currently Section 3 residents or were Section 3 residents when hired (hire date within the last 3 years)
- C. 25% or more of contract dollar value is subcontracted to business concerns meeting definition in letter a or b.

Form 60002-Section 3 Summary Report

Employment and Contracting

- ▶ “Recipient agencies are not required to create jobs or contracts for Section 3 residents and business concerns simply for the sake of creating them.” *Source: Question 36.*
- ▶ “Residents and businesses must be able to demonstrate that they have the ability or capacity to perform the specific job or successfully complete the contract that they are seeking.” *Source: Question 37.*

Source: Frequently Asked Questions and Answers About Section 3 of the Housing & Urban Development Act of 1968 (see references).

Form 60002-Section 3 Summary Report

Legislatively Established Section 3 Goals

- ▶ **30%** of new hires
- ▶ **10%** of construction contracts (building trades work for maintenance, repair, and public construction)
- ▶ **3%** of non-construction contracts (includes professional service contracts)



Note: The goals are not “set-asides” or “quotas”, which guarantee a specific portion of funds will be provided to protected classes.

Form 60002-Section 3 Summary Report

All ADECA CDBG grantees must complete Form 60002.

- ▶ **Contractor/Subcontractor's Threshold**-Any Contract > \$100,000
 - ▶ Section 3 requirements apply to contractors and subcontractors performing work when the CDBG award to the locality is > \$200,000 and the contract/subcontract is > \$100,000.

Form 60002-Section 3 Summary Report

What is a “new hire”?

“A new hire means a full-time employee for a new permanent, temporary, or seasonal position that is created as a direct result of the expenditure of Section 3 covered financial assistance.”



Source: “Frequently Asked Questions and Answers About Section 3 of the Housing & Urban Development Act of 1968”, question 8 (HUD website).

Form 60002-Section 3 Summary Report

What if we don't need to hire?

“Recipient agencies are not required to create jobs or contracts for Section 3 residents and business concerns simply for the sake of creating them.”

Source: “Frequently Asked Questions and Answers About Section 3 of the Housing & Urban Development Act of 1968”, question 36 (HUD website).

Form 60002-Section 3 Summary Report

How do I Find Section 3 Residents/Business Concerns?

- ▶ Contact resident organizations at public housing communities, local community development agencies, and employment agencies.
- ▶ Distribute flyers
- ▶ Post signs
- ▶ Place ads in local newspapers



Note: Grantee and contractors/subcontractors need to document all outreach efforts to recruit Section 3 residents and Section 3 business concerns.

Form 60002-Section 3 Summary Report

ADECA CDBG Grantee Responsibilities

- ▶ Publicize available economic opportunities for CDBG projects.
- ▶ Notify contractors of responsibilities and include the Section 3 clause in contracts. Use the Section 3 clause found at 24 CFR § 135.38 in its entirety, [verbatim](#)-parts A through G.
- ▶ Assist in obtaining compliance of contractors and subcontractors.
- ▶ Meet numerical goals.
- ▶ Document efforts to comply.
- ▶ Submit Form 60002 annually and also at closeout.

Form 60002-Section 3 Summary Report

What if we can't meet the Section 3 goals?

- ▶ It is important for the grantee to be prepared to demonstrate the efforts taken in an attempt to meet the numerical goals.
- ▶ Maintain records on job vacancies, solicitation for bids or proposals, selection materials, and contract documents (including scope of work and contract amount) in accordance with Federal and State procurement laws and regulations.

Form 60002-Section 3 Summary Report

ADECA's Reporting

ADECA compiles the Form 60002s and reports the results by program in the annual CAPER.

Form 60002-Section 3 Summary Report

Websites for Further Information

- ▶ *Frequently Asked Questions and Answers About Section 3 of the Housing & Urban Development Act of 1968*:
<http://www.hud.gov/offices/ftheo/section3/FAQ08.pdf>
- ▶ *Youthbuild*: <http://youthbuild.org/>
- ▶ *HUD Form 60002 (location may change from time to time)*:
<http://www.adeca.alabama.gov/Divisions/ced/cdp/CDBG%20Documents/HUD%20FORM%2060002.pdf>
- ▶ *Section 3 Reporting Guidance for CPD*:
http://www.hud.gov/offices/ftheo/section3/Sec3_Guidance_CP_D_final_v2.pdf

Section 3

- ▶ Section 3 is a provision of the Housing and Urban Development Act of 1968:
12 U.S.C. 1701u-Section 3
- ▶ The implementing regulations are found at:
24 CFR 135

Contract and Subcontract Activity

U.S. Department of Housing and Urban Development

OMB Approval No.: 2535-0117 (exp. 1/31/2013)

Public Reporting Burden for this collection of information is estimated to average .50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive Order 12421 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The Department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency				Check if: PHA <input type="checkbox"/> IHA <input type="checkbox"/>				2. Location (City, State, ZIP Code)											
3a. Name of Contact Person				3b. Phone Number (Including Area Code)				4. Reporting Period <input type="checkbox"/> Oct. 1 - Sept. 30 (Annual-FY)				5. Program Code (Not applicable for CPD programs.) See explanation of codes at bottom of page. Use a separate sheet for each program code.				6. Date Submitted to Field Office			

Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc. 7a.	Amount of Contract or Subcontract 7b.	Type of Trade Code (See below) 7c.	Contractor or Subcontractor Business Racial/Ethnic Code (See below) 7d.	Woman Owned Business (Yes or No) 7e.	Prime Contractor Identification (ID) Number 7f.	Sec. 3 7g.	Subcontractor Identification (ID) Number 7h.	Sec. 3 7i.	Contractor/Subcontractor Name and Address 7j.					
									Name	Street	City	State	Zip Code	

CPD: 1 = New Construction 2 = Education/Training 3 = Other	7c: Type of Trade Codes: Housing/Public Housing: 1 = New Construction 2 = Substantial Rehab. 3 = Repair 4 = Service 5 = Project Managt. 6 = Professional 7 = Tenant Services 8 = Education/Training 9 = Archt./Engrg. Appraisal 0 = Other	7d: Racial/Ethnic Codes: 1 = White Americans 2 = Black Americans 3 = Native Americans 4 = Hispanic Americans 5 = Asian/Pacific Americans 6 = Hasidic Jews
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5: Program Codes (Complete for Housing and Public and Indian Housing programs only): 1 = All Insured, including Section 8 2 = Flexible Subsidy 3 = Section 8 Noninsured, Non-HFDA 4 = Insured (Management)		5 = Section 202 6 = HUD-Held (Management) 7 = Public/Indian Housing
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Previous editions are obsolete. form HUD-2516 (8/98)

Form 2516 (Contract and Subcontract Activity)

Economic Opportunities for Low – and Very Low-Income Persons

U.S. Department of Housing
and Urban Development
Office of Fair Housing
And Equal Opportunity

OMB Approval No: 2529-0043
(exp. 11/30/2010)

HLD Field Office

[Section back of page for Public Reporting Burden statement](#)

1. Recipient Name & Address: (street, city, state, zip)	2. Federal Identification: (grant no.)		3. Total Amount of Award		
	4. Contact Person		5. Phone: (include area code)		
	6. Length of Grant:		7. Reporting Period:		
8. Date Report Submitted:	9. Program Code: (Use separate sheet for each program code)		10. Program Name:		
Part I: Employment and Training (** Columns B, C and F are mandatory fields. Include New Hires in E & F)					
A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	E % of Total Staff Hours for Section 3 Employees and Trainees	F Number of Section 3 Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade (List Trade					
Trade					
Trade					
Trade					
Trade					
Other (List)					
Total					

* Program Codes
1 = Flexible Subsidy
2 = Section 202(b)(1)

3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization

4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement

8 = CDBG State Administered
9 = Other CD Programs
10 = Other Housing Programs

Part II: Contracts Awarded

- ## 1. Construction Contracts

A. Total dollar amount of all contracts awarded on the project	\$	
B. Total dollar amount of contracts awarded to Section 3 businesses	\$	
C. Percentage of the total dollar amount that was awarded to Section 3 businesses		%
D. Total number of Section 3 businesses receiving contracts		
2. Non-Construction Contracts:		
A. Total dollar amount all non-construction contracts awarded on the project/activity	\$	
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$	
C. Percentage of the total dollar amount that was awarded to Section 3 businesses		%
D. Total number of Section 3 businesses receiving non-construction contracts		

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- _____ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- _____ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- _____ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- _____ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other, describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 805(e)(6) of the Fair Housing Act, 42 U.S.C. 805(e)(6) of the Fair Housing Act of 1968. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and Circular 148 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

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Section 3

Questions and Answers